



**Job Keeper or Job Seeker : Get In For Your Share Now!**

It's for everyone, worker and business owner and very easy to qualify for if your income has dropped for any reason. As long as you had an ABN at 12<sup>th</sup> March it is worth looking into Job Keeper and you do not have to be an employee of your business there is a business participation Job Keeper too.

For all my banging on about Job Keeper I have now realised that I need to get back to basics. This is because lately I am coming across so many people who think they are not entitled to it, when they actually are.

Here is a link to all the details <https://bantacs.com.au/Jblog/coronavirus-stimulus-package/> I realise the 16 pages will put many people off, but it has headings to break it up; just go to the area that interests you. Having given you that blog with all the detail, I can really cut to the chase here, without getting bogged down in the fine print. Just remember this is to persuade you to look into whether you qualify, not to say you actually do.

So generally speaking: **Job keeper** of \$750 per week is available *if your business turnover has dropped by 30%*. There are 5 different methods of measuring turnover, then you can cherry-pick a particular month, or go for a full quarter if that suits you better. Amongst all these varying options you only have to pass one; also, the drop in turnover does **not** have to relate to the pandemic.

**Further, once you pass the turnover test for one period, then you are in the program (at least \$750pw) right through to the end of September.**

Having waved the money in front of your nose, let's have a look at some practical applications of the drop in turnover tests. There are many; enough to make me encourage you to get professional advice if you think you have missed out. There is too much money at stake.

**The basic turnover test:** Compare turnover in March 2019 with March 2020 or April 2019 with April 2020. Both these scenarios qualify you for Job Keeper for the maximum period of time; that is, from 30<sup>th</sup> March, 2020 to 27<sup>th</sup> September, 2020, potentially \$19,000. If the March 2019 turnover is \$10,000, multiply that by 70% to get \$7,000. If the March 2020 turnover is less than the \$7,000 (30% down), you are in...sign up! You can compare your turnover on a non-cash basis, or in accordance with accounting concepts, or on the basis of first of cash received or invoice issued. Further, if you lodge your BAS on a cash basis you can choose to compare your turnover on a cash basis. More about that in our jumbo 16-page blog.

There are many alternative tests if you don't fit the basic case. Remember you just need to slide through one of these tests and you are in for good. Here are a few examples:

- **Holiday or Sickness Gap** – If your business is a sole trader or partnership with less than 4 partners, then if the key person was on leave during your comparison 2019 month, you can use the next full month after they came back from leave as a comparison.
- **Just Started Business** – If you are registered for GST and have lodged a BAS before 12<sup>th</sup> March, 2020, then you can use an **average** of the complete months you traded from when you started before March, 2020 as your comparison month. If you are not registered for GST and started business after 30<sup>th</sup> June 2019, you will need to apply

for the Commissioner's discretion and show bank statements and the like, to prove your turnover.

- **Business was Booming Before COVID-19 Hit** - If your business was going up month by month, then 12 months ago your business turnover might have been very low yet you have recently had a considerable drop in turnover. It is a complex calculation, but really just a matter of showing that your income increased by 50% over 12 months or 25% over 6 months or 12.5% over 3 months. So there is plenty of room for start-up businesses to show a drop in turnover.
- **Fluctuating Income** - There are also tests for business with fluctuating income. Don't give up have a look at <https://www.legislation.gov.au/Details/F2020L00461>

You are not just limited to comparing month to month. Businesses with long lead times may prefer to compare quarters. Measuring quarterly turnover will involve estimates for 2020 and a much wider catchment period so is usually not the best option. The catch is that if you don't qualify for Job Keeper in April by using your March or April figures, then you won't be paid Job Keeper until your turnover drops. **No back pay.** So, if you are in a business with long lead times, you may want to use a quarterly estimate. For example, your orders completely dropped off in April, so you know May and June are going to be tough. But April will be fine; you were still producing goods and invoicing from orders made in March or prior. As long as your total turnover for the April to June 2020 quarter is 30% lower than the April to June 2019 quarter, you can get Job Keeper from 30<sup>th</sup> March, 2020 if you apply before 30<sup>th</sup> May, 2020. This, of course, means you will have to do some estimating. It's important to keep records of how you did that. As long as it is reasonable, you will not have to pay back Job Keeper, even if you didn't quite make the 30% drop.

Here is an ATO example of a gym. They are closed in April and have no advice on when they will be able to open again. So, it is quite reasonable for them to estimate no income for April, May and June. In June the government decides gyms can open their doors again. However, because every other gym has gone out of business they make a mint in June, they will still not have to pay back their Job Keeper. Their estimate was made on a sound basis from all that they could be expected to know at the time it was made. Further, once you qualify for Job Keeper you are in until 27<sup>th</sup> September, 2020 even if your turnover recovers. It is just a matter of passing the test **once**.

Warning if you are making the Job Keeper application yourself - the ATO software, made in haste, does not give you a quarterly estimation option. It will ask you which month you want to apply from. You need to put in April even if your April turnover has not dropped 30% but you estimate that your turnover will drop by 30% over the quarter. You need to read the which month question as which month does your measurement period start in.

Even if you don't qualify for Job Keeper, you will probably qualify for Job Seeker which is the dole plus a \$550 per fortnight bonus. Even if you continue to work in your business. The dole is no longer asset tested, only income tested, and even then if you can get just \$1 in dole, you get the \$550 per fortnight bonus. Your spouse's income does not affect your dole if it is under \$80,000. **This means that one member of a couple can be on Job Keeper and the other on Job Seeker.** Have a look around your lounge room. Any adult teenagers that should be applying as well? Your household income may never have looked better. Here is a link to take the test to see if you qualify

[https://www.centrelink.gov.au/custsite\\_pfe/pymtfinderest/pfResultsPage.jsf?prg\\_id=19cc4b05b744401da9c456b0019cd2be&wec-appid=pymtfinderest&page=1A7D146D3FAE4D7AAF031036D78DBF15&wec-locale=en\\_US#stay](https://www.centrelink.gov.au/custsite_pfe/pymtfinderest/pfResultsPage.jsf?prg_id=19cc4b05b744401da9c456b0019cd2be&wec-appid=pymtfinderest&page=1A7D146D3FAE4D7AAF031036D78DBF15&wec-locale=en_US#stay)

The bottom line is, we are talking close to \$20K per person. Therefore, the effort you put into seeing if you qualify will potentially pay you a very good hourly rate. No-one should be claiming illegally; but there should be very, very few Australian or New Zealand permanent residents who do not have a minimum income of \$550 per week during the pandemic. If you don't have that sort of income, read that 16-page blog, or get advice. Fortunately, the deadline has been extended to 30<sup>th</sup> May, but get a wriggle on!